

MATSIKO CHILDREN INTERNATIONAL, INC.

FINANCIAL STATEMENTS

For the Fiscal Year Ended December 31, 2025
With Independent Auditors' Report

Vance CPA LLC
Certified Public Accountants
219-B Avenue E • Apalachicola, FL 32320
Tel. (706)-442-3084

MATSIKO CHILDREN INTERNATIONAL, INC.

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Matsiko Children International, Inc.

Opinion

We have audited the accompanying financial statements of Matsiko Children International, Inc. (a nonprofit organization), which comprises the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Matsiko Children International, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Matsiko Children International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Matsiko Children International, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Matsiko Children International, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Matsiko Children International, Inc. ability to continue as a going concern for a reasonable period of time.

June 18, 2026
Apalachicola, FL

Vance CPA LLC

Vance CPA LLC

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 420,642
Prepaid expenses	<u>3,649</u>
Total Current Assets	<u>424,291</u>

Non-Current Assets:

Property, plant and equipment, net of depreciation	<u>255,739</u>
Total Non-Current Assets	<u>255,739</u>

Total Assets \$ 680,030

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expense	<u>34,570</u>
Total Current Liabilities	<u>34,570</u>

NET ASSETS

Without donor restrictions	<u>645,460</u>
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Total Net Assets 645,460

Total Liabilities and Net Assets \$ 680,030

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions	\$ 718,125	\$ —	\$ 718,125
Special events	518,863	—	518,863
Interest income	6	—	6
Net assets released from restrictions	<u>—</u>	<u>—</u>	<u>—</u>
Total Revenues	<u>1,236,994</u>	<u>—</u>	<u>1,236,994</u>
Expenses:			
Program service expenses	942,157	—	942,157
Management and general expenses	60,360	—	60,360
Fundraising expenses	<u>124,527</u>	<u>—</u>	<u>124,527</u>
Total Expenses	<u>1,127,044</u>	<u>—</u>	<u>1,127,044</u>
Change in Net Assets	109,950	—	109,950
Net Assets, Beginning	<u>535,510</u>	<u>—</u>	<u>535,510</u>
Net Assets, Ending	<u>\$ 645,460</u>	<u>\$ —</u>	<u>\$ 645,460</u>

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 109,950
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	1,760
Change in operating assets and liabilities:	
Prepaid expenses	(3,649)
Accounts payable and accrued expenses	<u>34,570</u>
Net Cash Flows from Operating Activities	<u>142,631</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	<u>(5,068)</u>
Net Cash Flows from Financing Activities	<u>(5,068)</u>
Cash Flows from Financing Activities	<u>—</u>
Net Change in Cash and Cash Equivalents	<u>137,563</u>
Cash and Cash Equivalents, Beginning	<u>283,079</u>
Cash and Cash Equivalents, Ending	<u>\$ 420,642</u>

MATSIKO CHILDREN INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Special Events (Fundraising)</u>	<u>Total Expenses</u>
<u>Functional Expenses</u>				
Wages	\$ 330,579	\$ 36,731	\$ —	\$ 367,310
Payroll taxes	28,242	3,138	—	31,380
Employee benefits	10,069	1,119	—	11,188
Sponsorship expenses	62,979	—	—	62,979
Legal and professional fees	14,392	17,612	—	32,004
Advertising and promotion	—	—	11,522	11,522
Depreciation	—	1,760	—	1,760
Office expense	38,877	—	—	38,877
Travel/airfare	—	—	77,620	77,620
Insurance	12,953	—	—	12,953
Bank fees	20,826	—	—	20,826
Choir equipment	—	—	2,377	2,377
Childcare needs (sponsorships)	<u>423,240</u>	<u>—</u>	<u>33,008</u>	<u>456,248</u>
Total Functional Expenses	<u>\$ 942,157</u>	<u>\$ 60,360</u>	<u>\$ 124,527</u>	<u>\$ 1,127,044</u>

MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND ORGANIZATION

The mission of International Children's Network (doing business as Matsiko Children International) (the Organization) is to provide as many of our world's 600 million orphaned and at-risk children sponsorship for a complete education through their nation's highest university or vocational levels. By doing so, every child will be on equal footing with their nation's most privileged children. They will return to their villages to help other children who are in the same condition, they once were to break the cycle of utter dependency and despair and replace it with empowerment and hope. Management and general activities include the functions necessary to provide support for the organization's program activities. They include activities that provide governance (Board of Trustees), oversight, business management, financial recordkeeping, budgeting, legal services, human resources management, and similar functions that ensure an adequate working environment and equitable employment program. Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization follows Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, requirements for the presentation of expenses in both natural and functional classifications, and the lack of consistency in the type of information provided about expenses and investment return.

The Organization follows FASB issued ASU 2019-09, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between non conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made.

Financial Statement Presentation - The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, are prepared on the accrual basis of accounting. The financial statement presentation is in accordance with FASB ASU Topic 958, Not-for-Profit Entities. Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions at December 31, 2025.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Revenue Recognition - Contributions received are recorded as available for undesignated use, unless specifically designated by the donor in which case, they are classified as net assets with donor restrictions.

Functional Allocation of Expenses - The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and changes in net assets without donor restrictions, which includes all expenses incurred for the year. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the methodology required, which does not materially differ from the requirements of GAAP.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires Organization's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and equipment - Property and equipment are carried at cost. The Organization capitalizes all expenditures for property and equipment in excess of \$5,000 with a useful life of greater than two years. Depreciation and amortizations are computed on the straight-line method over estimated useful life. Repairs and maintenance expenditures are charged to operations as incurred.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable. When such events or circumstances arise, an estimate of the future undiscounted cash flows produced by the asset, or the appropriate groupings of assets, is compared to the asset's carrying value to determine if impairment exists.

**MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization recognizes an impairment loss only if the carrying amount of the asset is not recoverable from its undiscounted cash flows and records an impairment loss as the difference between the carrying amount and fair value of the asset. There were no impairments for the year ended December 31, 2025.

Tax-Exempt Status - The Organization is a not-for-profit organization that is exempt from income taxes under section 501(C)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other gross restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

Cash and cash equivalents	<u>\$ 420,642</u>
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NOTE 4 – PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation is as follows:

Land	\$ 229,900
Equipment	121,485
Building	29,003
Software	<u>19,500</u>
Total property and equipment	399,888
Less: Accumulated depreciation	<u>(144,149)</u>
Property and equipment – Net	<u>\$ 255,739</u>

Depreciation expense for the year ended December 31, 2025 was \$1,760.

**MATSIKO CHILDREN INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 5 – RELATED PARTY TRANSACTION

The Organization paid approximately \$100,854 in salaries for the full-time work performed in support of the mission for Don Windham, President and Founder of ICN and five family members. This compensation is included in the compensation and related expenses presented in the schedule of functional expenses.

NOTE 6 - CONCENTRATIONS AND CREDIT RISK

Concentrations of credit risk relate primarily to cash and cash equivalents. The Organization maintains its cash and cash equivalents at financial institutions in amounts which at times exceed federally insured limits. The organization currently has \$283,027 at one financial institution which exceeds the FDIC insurance cap of \$250,000 by \$33,027 which is at risk for loss. The Organization has not experienced any losses in these accounts, and management does not believe it is subject to significant risk on such assets.

NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 31, 2025, which is the date the financial statements were available to be issued.